# Directorate of Maintenance

# 1102 WORKFORCE IN MA

*Quality Production On Time*

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2 Dec 03

# Depot-Level Maintenance and Repair

- Definition

*Depot-Level Maintenance and Repair* is maintenance or repair requiring the overhaul, upgrading or rebuilding of parts, assemblies, or subassemblies and the testing and reclamation of equipment (or maintenance of software) as necessary—regardless of the source of funds . .

Can include manufacturing components, parts, assemb

# What is Partnering

From a WR-ALC Perspective:

“Partnering is a Logistics Sustainment Philosophy that Focuses on a Cooperative Agreement Between the Program Manager, System Sustainment Manager, Depot Maintenance Manager, and Private Sector Supplier of Sustainment and Modernization.”

*Partnering is a Cooperative Effort Not a Competitive Engagement*

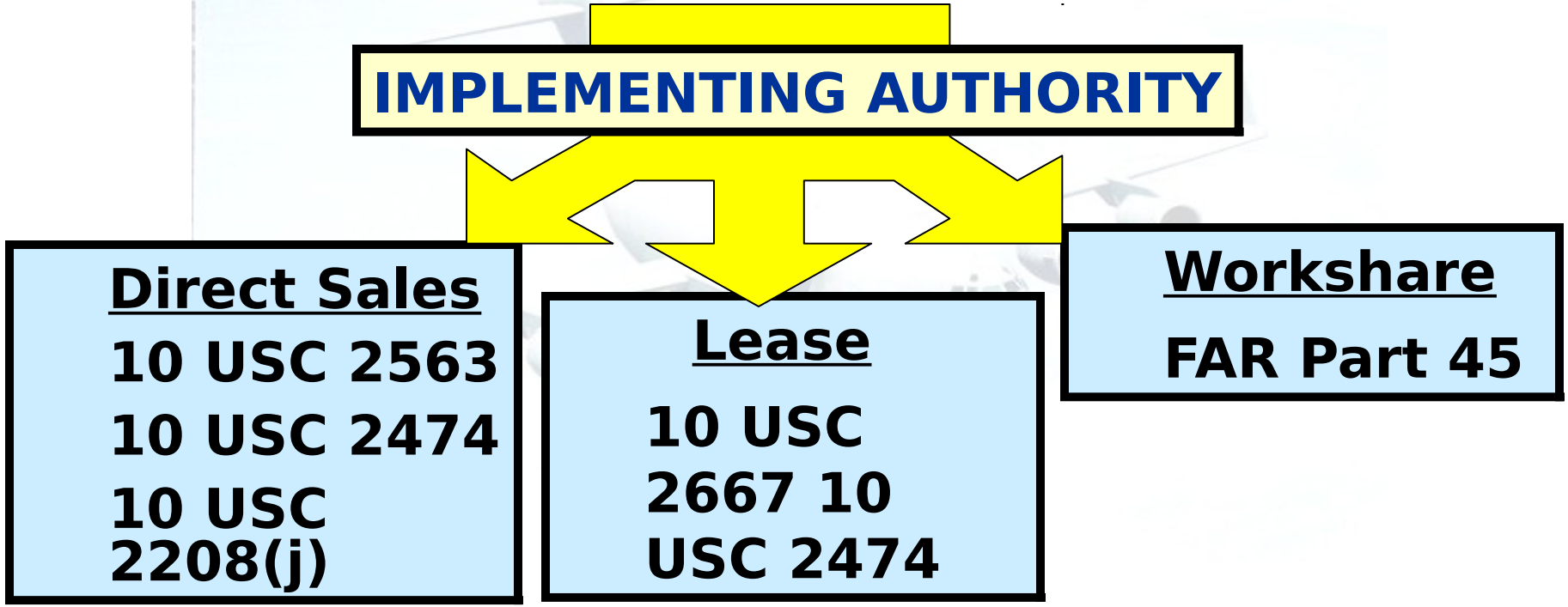
# Partnership Philosophy

- **A long-term logistics, sustainment & modernization philo**
  **for product support**
  - –Focused on cooperative agreements between
    - Program manager
    - Sustainment manager
    - Depot maintenance manager
    - Private sector supplier

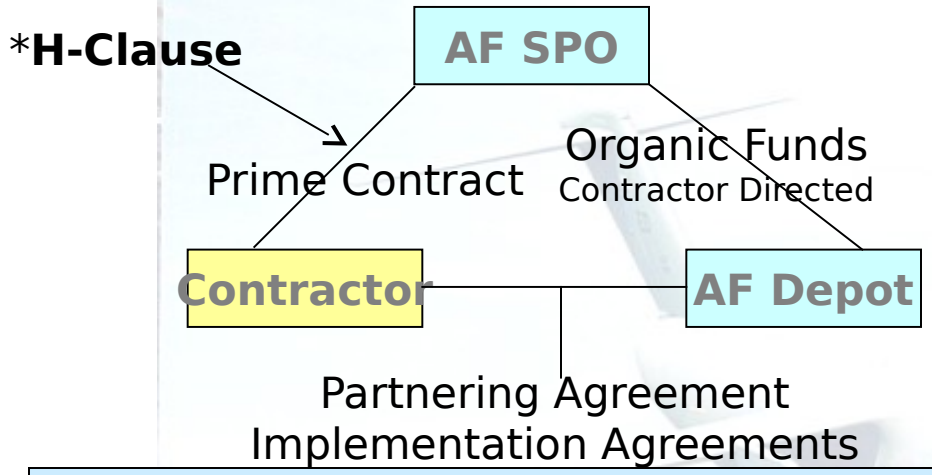
# Types of Partnerships

- **1 -- The direct sale of depot provided goods and/or services to private sector for DoD end consumption. [Note: SECAF approval for commercial consumption].**
- **2 -- The lease of Gov't facilities or equipment to private sector for purposes of performing depot level maintenance**
- **3 -- The providing of depot goods and/or services to private sector via special agreements in a workshare environment for DoD end consumption**

# Authority for Partnering



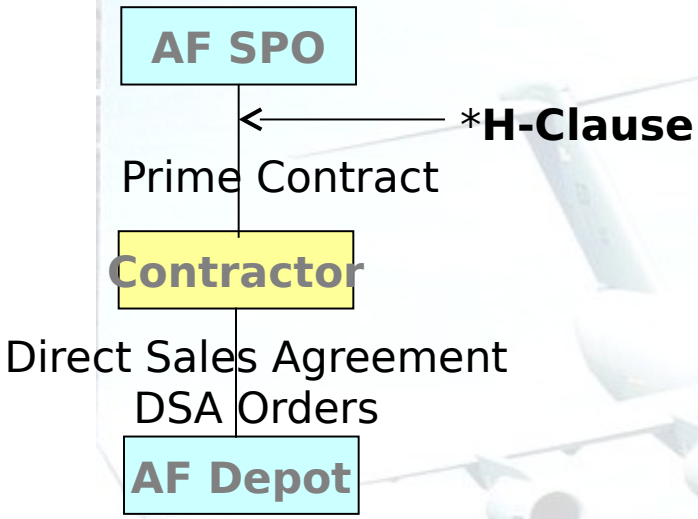
# Workshare (FAR 45.3)




**GOV'T DECIDES**
**-BEST VALUE**
**"PARTNERS"**
**RECOMMEND:**
**-GFSS**
**WORKLOADS**
**-TERMS OF GFP**

- **Authorities:**
  - Inherent to PCO based on best value to government (FAR 45)
- **Used for <u>any mission area</u> (e.g. equipment, data, testing, etc.)**
- **Payment Government to Government**
- **Direction/requirements determined jointly by Gov't/Contractor**
- **<u>Three-party relationship</u> lead by government buyer**
- **PA and IA become attachments to prime contract via H-**

# Direct Sales Agreements




**"NOT" A TRADITIONAL SUBCONTRACT**

- **Authorities:**
  - 10 USC 2474
  - 10 USC 2563
  - 10 USC 2208J / Other
- **Used only for depot maintenance**
- **Advance payment - contractor to depot**
- **Direction from prime- (may be directed)**
- **Similar to traditional prime-sub except:**
  - Depot has limited liabilities due to DMAG fiscal regulations / policies
    - Consequential damages
    - End item replacement
    - Breach of DSA terms
  - Termination ability limited
  - Mission non-interference
  - Work non-interference (core+)

# Lease

- **Authorities:**
  - **10 USC 2474**
  - **10 USC 2667**
- **Payment Contractor to Government**
- **Lease requirements determined by Gov't**
- **Lease (generally) separate from prime contract**
- **Government must determine lease to be in best interest of Government**

# Partnership Business Documents

- Workshare Partnership Agreements
  - Always Incorporated into a DoD Contract
- Direct Sales Partnership Agreemen
  - May be Stand-Alone
  - Or May be Incorporated into a Single DoD C
- Implementation Agreements
  - Ties to a WSA or DSPA
    - Includes Prices, Quantity, Schedule, Deliv
    - Shipping/Marking/Preservation/Pkg
    - SOW

# Recent Partnerships

- C-130 CSAR Door Modification
  - FAST Contract partnership
  - Workshare Arrangement
    - Modification of a C-130E Cargo Door to the HC-130P Configuration (Install Actuators and Flare Launch Tubes)
      - 10 doors—total Depot value approx $7M
- F15 Digital Map Set Repair
  - Direct Sales Partnership Agreement
    - Honeywell provides/manages all Direct Material used by Depot to perform repairs
    - Partnership Ties to Prime Contract

# Recent Partnerships

- Manufacturing Technology Inc.
  - Prime IDIQ Contract provides for Decentralized Ordering to solve Diminishing Mfg Sources/Parts Obsolescence problems on weapon systems
  - Partnership is a flexible Workshare Arrangement that can be incorporated into an order
    - Contractor provides engineering solutions
    - Depot provides prototype manufacturing of re-designed Hybrids

# Contracting Officer

## FAR 1.602-2

Responsible for ensuring performance of all necessary actions for effective compliance with the terms of the contract, and safeguarding the interests of the United States in contractual relationships.

# Common Misconceptions

- Competing not cooperating
- FAR clauses not principles
- Subcontractors not GFS/S

# Comparisons

| Your Job | My Job |
| --- | --- |
| Buyer | Seller |
| Evaluate pricing | Verify pricing |
| Ts & Cs | Ts & Cs |
| Payment After | Advance Payment |
| Obligate $$ | Receive $$ |
| Business Advisor | Business Advisor |

# Comparisons

| Your Job | My Job |
| --- | --- |
| AF Form 2586 | AF Form 2586 |
| Creative Changes | Creative Changes |
| Incorporated by Reference | Full Text |
| Hands Off | Hands On |

# Comparisons

| Price Analyst Program Office | Price Analyst Depot Partnering Offi |
|---|---|
| Evaluate Cost Proposals | Analyze Partnership Opportu |
| Develop Government Objectives | Analyze Depot Activation Issu |
| Price Using various IPT techniques | Brief Partnership Council |
| Negotiate cost proposals | Develop Pricing Strategies |
| Write PNMs | Evaluate/Analyze RCC Rates |
| Act as Business Advisor | Negotiate Partnership Agree |
| | Create Implementation Agree |
| | Act as Business Advisor |

# Conclusion

## “The Spirit of Bob Hope”